

Board of Governors of the Federal Reserve System
Federal Deposit Insurance Corporation
Office of the Comptroller of the Currency
Office of Thrift Supervision
Securities and Exchange Commission

Joint Press Release
May 09, 2006

**Agencies Request Comment on Revised Statement Concerning Elevated
Risk Complex Structured Finance Activities**

For immediate release

Five federal agencies today requested public comment on a revised proposed statement on the complex structured finance activities of financial institutions. The revised statement describes the types of internal controls and risk management procedures that should help financial institutions identify, manage and address the heightened legal and reputational risks that may arise from certain complex structured finance transactions.

The agencies have modified the revised statement in several important respects in light of the comments received on the original proposed statement, which was issued for comment on May 19, 2004. For example, the agencies have reorganized, streamlined and modified the statement to make the document more principles-based and focused on those complex structured finance transactions that may pose heightened levels of legal or reputational risk to a financial institution.

The proposed statement was issued by the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the Office of Thrift Supervision and the Securities and Exchange Commission. The revised statement would represent supervisory guidance for institutions supervised by the four banking agencies and a policy statement for institutions supervised by the Securities and Exchange Commission.

Comments on the revised statement are requested within thirty days of publication in the Federal Register, expected shortly. The revised proposed statement is attached.

Attachment (220 KB PDF)

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